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Federal Trade Commission
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Office of the Chair

**Remarks by Chair Lina M. Khan
Grubhub Press Conference
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Good morning, everyone. Thank you for joining us today. I am so glad to be here with Illinois Attorney General Kwame Raoul, who is a vigorous defender of people’s rights—and a committed partner to the FTC in taking on corporate lawbreaking.

Today, the FTC and the state of Illinois are announcing a law enforcement action against Grubhub, the online platform that facilitates food delivery from restaurants to people at home.

Our joint investigation found that, for years, Grubhub deliberately and systematically cheated its customers, deceived its drivers, and undermined restaurants that did not partner with Grubhub.

Grubhub relied on these underhanded tactics to accelerate its growth—and pocketed hundreds of millions of dollars through its unlawful practices.

The backdrop here was that Grubhub wanted to grow quickly and achieve scale. Succeeding as a platform that connects different sets of market participants requires gaining a critical mass of customers on one side, so that you can draw more customers on the other side.

Rather than grow organically through honest tactics, Grubhub decided to take shortcuts and lure customers by deceiving them. It used a multi-pronged strategy to do this.

Our complaint alleges that Grubhub baited diners into using its platform by marketing that delivery would cost as little as \$2.49—or even that delivery would be free. In reality, Grubhub later tacked on “service” and other fees that were basically renamed “delivery fees”—all so that it could get away with falsely advertising its delivery as “free.” Top executives at Grubhub directed these deceptive practices and even described the fee structure as a “pricing shell game.” Customers complained to Grubhub that these tactics were misleading, but the company persisted—earning close to _____ from these misnamed “service fees” in 2022 alone.

Our investigation also found that Grubhub deceptively marketed its subscription program, Grubhub+, and then made it absurdly difficult for subscribers to cancel. While users could sign up through one or two clicks, Grubhub designed its cancellation process to thwart people from being able to easily get out.

Customers were not the only ones subjected to Grubhub's illegal tactics. Wanting to boost the number of restaurants listed on its platform, Grubhub resorted to adding of restaurants without their knowledge or consent—ultimately damaging their revenues and reputations.

Because the restaurants had not agreed to partner with Grubhub, its listings were often cobbled together from inaccurate sources and routinely had out-of-date menus and inaccurate hours. And because restaurants had not chosen to list with Grubhub, the company went out of its way to disguise its in

